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ANNUAL REPORT TO STOCKHOLDERS



1944

THE COCA-COLA COMPANY
WILMINGTON, DELAWARE

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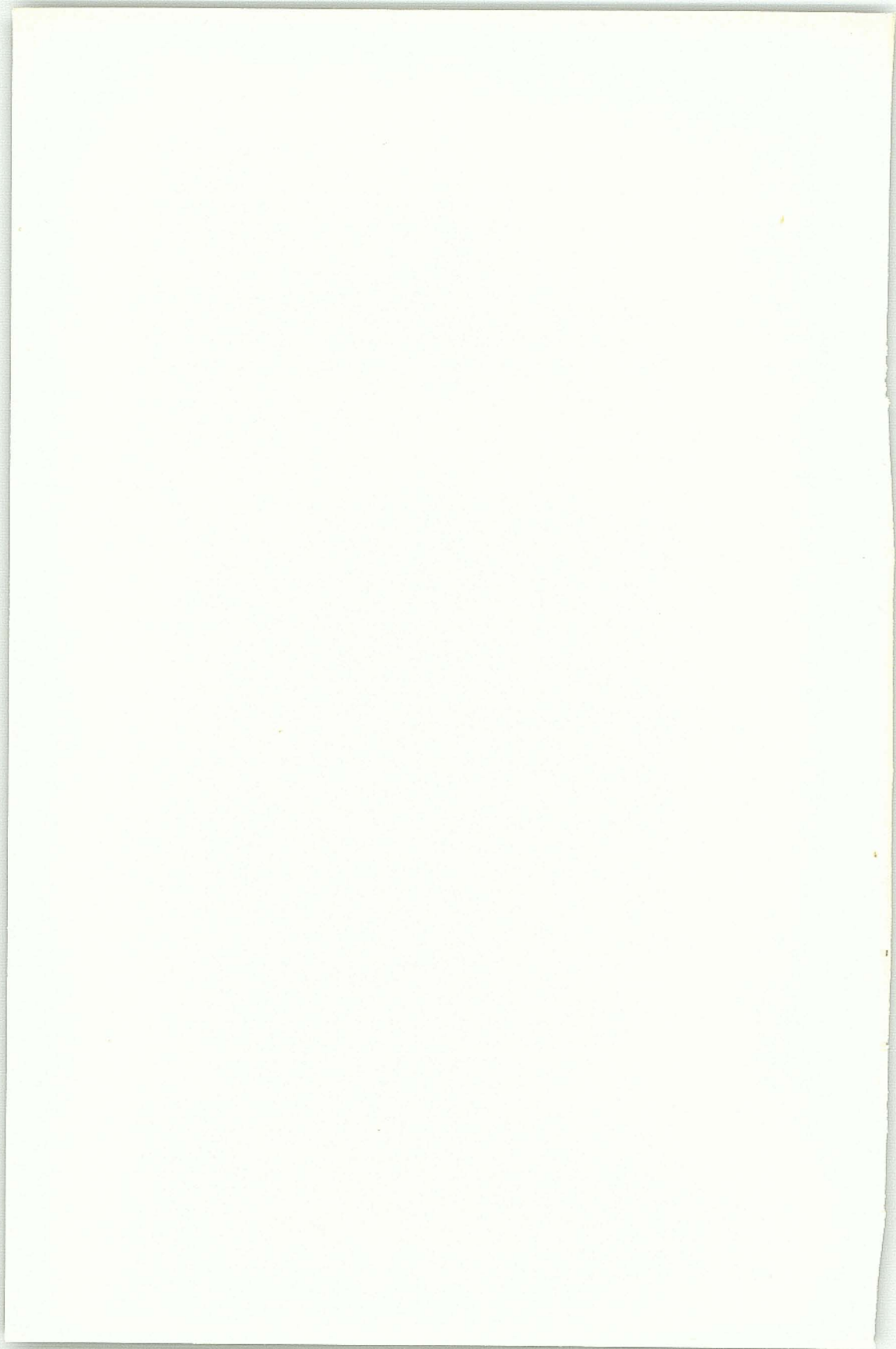
ANNUAL REPORT

THE COCA-COLA COMPANY
AND ITS SUBSIDIARIES



FOR THE YEAR
1944

The annual meeting of the stockholders will be held on Monday, May 7, 1945. A formal notice of this meeting, together with proxy and proxy statement, will be mailed to each common stockholder on or about April 12, 1945, at which time proxies will be solicited by the management.



THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

TO THE STOCKHOLDERS OF
THE COCA-COLA COMPANY

The consolidated balance sheet and statement of operations are submitted herewith. Net earnings applicable to common stock after taxes, Class "A" dividends, reserves and all charges were \$23,221,445.

At a special meeting on August 5, the stockholders voted to increase the authorized common stock of the Company from 4,000,000 to 5,000,000 shares. Of this increase 113,665 shares have been issued.

Through a plan of reorganization, the entire capital stock of La Salle Securities, Inc., controlling twenty-four companies bottling and distributing Coca-Cola in middle western localities, has been acquired.

Our subsidiary, The Brecon Loading Company, has extended its contract with the United States Government to operate the Coosa River Ordnance Plant at Talladega, Alabama, through 1945.

Material costs have increased substantially and restrictions on ingredients, manpower and equipment have presented many problems during the year. It has been our constant endeavor to comply fully with both the letter and spirit of all applicable governmental regulations.

While sparing no effort to serve our customers, particularly those in the fighting forces, to the limit current conditions permit, the management is proceeding diligently with plans designed to extend the post-war distribution of our product. Then, as now, our first consideration will be the maintenance of the quality and integrity of Coca-Cola.

Respectfully submitted,

A. A. ACKLIN,
President.

HARRISON JONES,
Chairman Board of Directors.

CONSOLIDATED THE COCA-COLA COMPANY AND I

December

ASSETS

CURRENT:

Cash on deposit and on call	\$19,953,268.95	
Government securities—at cost:		
United States and Canadian—(Mar-		
ket value \$15,383,520.15)	15,366,720.00	
Accounts receivable—trade (less reserve		
of \$45,351.47)	10,270,418.61	
Inventory — Merchandise, including		
materials stored in bonded warehouses		
(Priced at lower of cost or market)	<u>27,136,570.88</u>	\$ 72,726,978.44

INVESTMENTS IN AND ADVANCES TO FOREIGN SUBSIDIARIES NOT CONSOLIDATED—NET

1,862,662.88

OTHER INVESTMENTS AND OTHER ASSETS:

Other security investments—at cost		
(Market value \$1,604,817.50) . . . \$	588,113.17	
Post-war refund of excess profits tax—		
estimated	3,014,330.04	
Other receivables and miscellaneous .	<u>1,266,609.39</u>	4,869,052.60

PROPERTY, PLANT AND EQUIPMENT—At cost:

Land	\$ 3,057,872.50	
Buildings	19,113,177.71	
Machinery and equipment	19,511,956.36	
Containers	<u>7,373,933.43</u>	
	\$49,056,940.00	
Less reserves for depreciation	<u>14,297,265.07</u>	34,759,674.93

FORMULAE, TRADE-MARK AND GOODWILL—

At cost	37,186,972.49
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DEFERRED CHARGES	<u>2,768,583.03</u>
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\$154,173,924.37

NOTE A—Assets of foreign subsidiaries and branches consolidated in this balance sheet consist of net current \$10,920,419.79, property, plant and equipment at depreciated cost, \$4,560,842.09, and other assets \$794,385.34. Fixed assets are stated at rates of exchange prevailing at dates of acquisition, and net current and all other assets at rates of exchange prevailing at December 31, 1944. Earned surplus includes \$12,212,044.71 accumulated earnings of foreign subsidiaries consolidated herein.

BALANCE SHEET

TS CONSOLIDATED SUBSIDIARIES

31, 1944

LIABILITIES

CURRENT:

Accounts payable		\$ 11,143,191.62
Accrued expenses		303,022.93
Accrued taxes—including income, excess profits and capital stock taxes	\$34,585,550.86	
Less U. S. Treasury tax notes	<u>22,623,939.85</u>	<u>11,961,611.01</u>
		\$ 23,407,825.56

RESERVE:

For contingencies and miscellaneous operations		21,916,023.46
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MINORITY INTERESTS IN SUBSIDIARIES

1,792,193.69

CAPITAL STOCK:

Class "A"—No par value:		
\$3.00 preference dividend cumulative, callable at \$52.50 per share		
Authorized and originally issued	1,000,000 shares	
Less retired	<u>400,000 shares</u>	
Issued and out-standing	600,000 shares	\$ 3,000,000.00
Common—No par value:		
Authorized	5,000,000 shares	
Issued and outstanding—Note B	4,113,665 shares	<u>25,710,406.25</u>
		\$28,710,406.25

CAPITAL SURPLUS	3,236,176.76	
EARNED SURPLUS	<u>75,427,573.65</u>	
		\$107,374,156.66

Less 4,800 shares of common stock owned by Company—at cost	<u>316,275.00</u>	<u>107,057,881.66</u>
		<u>\$154,173,924.37</u>

NOTE B—As of July 1, 1944, the Company through a plan of reorganization acquired the entire capital stock of La Salle Securities, Inc., controlling a number of companies bottling and distributing Coca-Cola in several mid-western localities. The Company has obtained approval of the registration of 120,000 additional shares of common stock upon official notice of issuance, for use in such acquisition, of which 113,665 shares have been issued, subject to adjustment upon final settlement. The item of capital surplus was created by this acquisition.

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1944

GROSS PROFIT	\$94,850,353.69
EXPENSES	
Selling, administrative and general	37,797,530.36
OPERATING PROFIT	\$57,052,823.33
Other deductions	\$2,535,036.41
Less other income	1,160,996.94
	1,374,039.47
PROFIT BEFORE TAXES ON INCOME	\$55,678,783.86
Provision for taxes on income—estimated	30,466,000.00
PROFIT AFTER TAXES	\$25,212,783.86
Less portion of subsidiary earnings applicable to minority interests	191,338.54
NET PROFIT	<u>\$25,021,445.32</u>

NOTE A—Provision for depreciation of \$2,400,036.72 was charged to manufacturing and other expenses. Other deductions include interest paid, \$136,469.50, and \$1,032,898.23 for additions to the reserve for contingencies and miscellaneous operations.

NOTE B—Provision for taxes on income includes \$14,263,000.00 estimated excess profits taxes against which an estimated post-war credit of \$752,000.00 is refundable to the Company and its wholly owned subsidiaries in non-negotiable, non-interest bearing United States Government bonds payable after the war, which amount is reflected in the balance sheet under Other Investments and Other Assets and a like amount has been added to the reserve for contingencies and miscellaneous operations.

NOTE C—Net earnings of foreign subsidiaries consolidated herein and included in net profit shown above were \$1,818,750.65 in excess of dividends received from such foreign subsidiaries during the year.

CONSOLIDATED EARNED SURPLUS ACCOUNT

Balance—December 31, 1943	\$68,471,090.83
Net profit for the year ended December 31, 1944	25,021,445.32
	<u>\$93,492,536.15</u>

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1944—\$1.50 per share	\$ 900,000.00	
Dec. 14, 1944—\$1.50 per share	900,000.00	\$ 1,800,000.00

COMMON:

Mar. 31, 1944—\$.75 per share	\$ 3,000,000.00
June 30, 1944—\$.75 per share	3,000,000.00
Sept. 30, 1944—\$.75 per share	3,085,248.75
Dec. 14, 1944—\$.75 per share	
plus \$1.00 per share extra	7,198,913.75
	<u>\$16,284,162.50</u>

Less dividends on 4,800 shares
of common stock owned by
Company during year

19,200.00 16,264,962.50

TOTAL DIVIDENDS PAID 18,064,962.50

EARNED SURPLUS—DECEMBER 31, 1944 \$75,427,573.65

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
Wilmington, Delaware

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1944, and the related consolidated statements of profit and loss and surplus for the year then ended, have reviewed the systems of internal control and the accounting procedures of the Company and its domestic subsidiaries and, without making a detailed audit of the transactions, have examined or tested accounting records of these companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Statements of foreign subsidiaries consolidated herein were furnished us as certified by other independent auditors. Subsidiaries in foreign countries other than in the Western Hemisphere have been excluded from the consolidated financial statements and are stated in the balance sheet in the amount of the investments in and advances to such subsidiaries less net losses absorbed in prior years.

In our opinion, based upon our examination, and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1944, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST

February 28, 1945.

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN	MRS. L. P. EVANS	C. J. ROOT
W. C. BRADLEY	EDWARD FINLAY	E. W. STETSON
C. H. CANDLER	T. K. GLENN	D. A. TURNER
W. C. D'ARCY	J. N. GODDARD	C. A. WICKERSHAM
R. R. DEUPREE	J. P. ILLGES	GEO. W. WOODRUFF
S. C. DOEBS	WINSHIP NUNNALLY	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

W. C. BRADLEY	W. C. D'ARCY	C. A. WICKERSHAM
C. H. CANDLER	T. K. GLENN	GEO. W. WOODRUFF
	E. W. STETSON	

W. C. BRADLEY, *Chairman Advisory Committee*

OFFICERS

A. A. ACKLIN	<i>President</i>
RALPH HAYES	<i>Vice-President</i>
W. P. HEATH	<i>Vice-President</i>
WM. J. HOBBS	<i>Vice-President</i>
W. N. COCHRAN	<i>Vice-President</i>
FELIX W. COSTE	<i>Vice-President</i>
H. B. NICHOLSON	<i>Vice-President</i>
HAROLD S. SHARP	<i>Vice-President</i>
EDGAR J. FORIO	<i>Vice-President</i>
B. H. OEHLERT, JR.	<i>Vice-President</i>
B. NEAL HARRIS	<i>Vice-President</i>
T. CARL THOMPSON	<i>Vice-President</i>
HOMER B. THOMPSON	<i>Vice-President</i>
S. F. BOYKIN	<i>Vice-President and Treasurer</i>
GEORGE T. ADAMS	<i>Vice-President and Secretary</i>

COUNSEL

POPE F. BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY
Wilmington, Delaware

CHASE NATIONAL BANK
New York, N. Y.

